

# FINANCIAL STATEMENTS

## M/S ORANGE TREE FOUNDATION

JUNE 30, 2017

### SALAHUDDIN & CO.

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#### CHARTERED ACCOUNTANTS

514, 5<sup>TH</sup> FLOOR, MADINA CITY MALL,  
ABDULLAH HAROON ROAD, SADDAR,  
KARACHI - 744000

TEL # 5217665, FAX # 021-37015176,  
MOB # 0333-2111 531

Email: [skamalpk@yahoo.com](mailto:skamalpk@yahoo.com)



# SALAHUDDIN & CO. CHARTERED ACCOUNTANTS

## AUDITORS' REPORT TO THE GOVERNING BODY


We have audited the annexed balance sheet of the **Orange Tree Foundation** as at **30 June 2017**, the related income and expenditure account and cash flow statement together with the notes forming part thereof (here-in-after referred to as the financial statements for the year then ended).

It is the responsibility of the governing body to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly in all material respects the financial position of the Foundation as at **30 June 2017** and of its surplus for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

KARACHI.  
Dated:

  
SALAHUDDIN & CO.  
CHARTERED ACCOUNTANTS



Orange Tree Foundation  
Balance Sheet  
As at 30 June 2017

	Note	2017 (Rupees)	2016 (Rupees)
<b>FOUNDATION FUND</b>	3	<u>20,469,893</u>	<u>11,543,508</u>
<b>CURRENT LIABILITIES</b>			
Accrued Expenses		96,000 96,000	78,000 78,000
		<u>20,565,893</u>	<u>11,621,508</u>
<b>NON CURRENT ASSETS</b>			
Fixed Assets - net	4	980,302	371,976
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	5	19,362,023	11,165,856
Advances, Deposits and Prepayments		223,568 19,585,591	83,676 11,249,532
<b>NET ASSETS</b>		<u>20,565,893</u>	<u>11,621,508</u>

These accounts should be read in conjunction with the attached notes.



HONARARY GENERAL  
SECRETARY



TREASURER



**Orange Tree Foundation**  
Income and Expenditure Account  
For the year ended 30 June 2017

	2017 (Rupees)	2016 (Rupees)
<b>INCOME</b>		
Donation	6,290,547	2,842,028
Zakat	20,166,598	13,467,133
	<u>26,457,145</u>	<u>16,309,161</u>
<b>EXPENDITURE</b>		
Scholarships to students	11,358,499	7,916,465
Uniform, Shoes & Stationery to students	1,148,201	673,087
Transport to students	-	1,060,950
Donation - Medical & Welfare	224,577	36,040
Salaries and Wages	2,873,183	2,462,757
Fuel & Conveyance	59,574	34,820
Insurance	22,050	-
Rent	755,050	531,960
Legal and Professional	22,440	8,000
Printing and Stationery	102,140	52,019
Postage & Courier	870	-
Utilities	105,037	94,920
Repair and Maintenance	266,778	181,708
Advertising & Marketing	47,698	41,903
Communication	52,500	14,434
Other Operating Expense	317,235	245,084
Bank Charges	1,934	21,128
Depreciation Expense	172,994	65,643
Auditor's Remuneration	-	30,000
	<u>17,530,760</u>	<u>13,470,918</u>
Surplus transferred to the General Fund	<u>8,926,385</u>	<u>2,838,243</u>

These accounts should be read in conjunction with the attached notes.



HONARARY GENERAL  
SECRETARY



TREASURER



# Orange Tree Foundation

## Cash Flow Statement

For the year ended 30 June 2017

	2017 (Rupees)	2016 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	8,926,385	2,838,243
Adjustments for non cash items:		
Depreciation	172,994	65,643
Surplus before changes in working capital	<u>9,099,379</u>	<u>2,903,886</u>
Working capital changes		
(Increase) in advances	(139,892)	(77,920)
Increase in accrued expenses	18,000	(68,760)
Net cash flow from operating activities	<u>8,977,487</u>	<u>2,757,206</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure - net	(781,320)	(238,897)
Net outflow from investing activities	<u>(781,320)</u>	<u>(238,897)</u>
Net increase in cash and cash equivalents	<u>8,196,167</u>	<u>2,518,309</u>
Cash and cash equivalents at the beginning of the year	<u>11,165,856</u>	<u>8,647,547</u>
Cash and cash equivalents at end of the year	<u><u>19,362,023</u></u>	<u><u>11,165,856</u></u>

These accounts should be read in conjunction with the attached notes.



HONARARY GENERAL  
SECRETARY



TREASURER



#### 4 FIXED ASSETS

Particulars	COST			DEPRECIATION			Rate	Written Down Value as at 30 June 2017
	As at 01 July 2016	Additions	As at 30 June 2017	As at 01 July 2016	For the year	As at 30 June 2017		
Office Equipment	138,900	-	138,900	40,218	14,802	55,020	15%	83,880
Furniture and Fixtures	287,147	-	287,147	59,818	34,099	93,917	15%	193,230
Computer Equipment	63,620	-	63,620	17,655	6,895	24,550	15%	39,070
Vehicle	-	781,320	781,320	-	117,198	117,198	15%	664,122
<b>2017</b>	<b>489,667</b>	<b>781,320</b>	<b>1,270,987</b>	<b>117,691</b>	<b>172,994</b>	<b>290,685</b>		<b>980,302</b>
<b>2016</b>	<b>250,770</b>	<b>238,897</b>	<b>489,667</b>	<b>52,048</b>	<b>65,643</b>	<b>117,691</b>		<b>371,976</b>



# Orange Tree Foundation

## Notes to the Accounts

For the year ended 30 June 2017

### 1. STATUS AND NATURE OF OPERATIONS

Orange Tree Foundation was incorporated on 11 February 2013 under the Societies Registration Act, 1860. The primary objectives of the foundation are to provide welfare activities focused towards children education, medical support and other welfare activities.

### 2. ACCOUNTING POLICIES

#### 2.1 Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention.

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan.

#### 2.2 Income Recognition

Donations are recognized as and when such donations are received.

#### 2.3 Fixed Assets

These are stated at written down value. Depreciation is charged to income applying the written down value method. Full year's depreciation is charged in the year of purchase whereas no depreciation is charged in the year of sale.

#### 2.4 Cash and Cash Equivalents

Cash and cash equivalents include cash at bank in current account.

### 3. FOUNDATION FUND

	2017 (Rupees)	2016 (Rupees)
Opening Balance	11,543,508	8,705,265
Surplus for the year	8,926,385	2,838,243
Balance as at 30 June	<u>20,469,893</u>	<u>11,543,508</u>



## 5. CASH AND BANK BALANCES

	2017 (Rupees)	2016 (Rupees)
Cash in hand	1,998	11,118
Cash at bank – in current account	19,360,025	11,154,738
	<u>19,362,023</u>	<u>11,165,856</u>

## 6. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial instruments carried on the balance sheet of the Foundation include bank balances and accrued expenses.

### *Interest / Mark-up Rate Risk*

The financial assets and liabilities of the Foundation do not carry / bear any interest / mark-up.

### *Fair value*

The carrying amount of financial assets and liabilities are estimated to approximate their fair values.

### *Credit Risk*

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Foundation endeavors to mitigate its credit risk by monitoring the credit worthiness of its counter parties.

## 7. GENERAL

- 7.1 Previous year's figures have been re-arranged and re-grouped, wherever necessary, for the purposes of comparison.
- 7.2 These financial statements were authorised for issue in the Trustees meeting held on **30-September-2017** .



HONARARY GENERAL  
SECRETARY



TREASURER

